

OGC Has Reviewed

10 February 1951

MEMORANDUM FOR: ACTING ASSISTANT DIRECTOR/IC

SUBJECT: Budget Bureau Survey of Foreign
Service Economic Reporting

1. The following comments are addressed to the 4th paragraph of your proposed draft reply from General Smith to Mr. Staats of the Bureau of the Budget. This paragraph commences "With respect to the draft Executive Order. . ." and continues to the bottom of the first page. It is our opinion it should be stricken from the letter, and we suggest that the following language be substituted to reflect clearly the fundamental responsibilities of the Central Intelligence Agency in the field of intelligence relating to the national security:

"The proposed Executive Order grows out of the Bureau of the Budget's Survey of Foreign Service Economic Reporting and the Survey's recommendations in that field. However, the Executive Order is not limited to the field of economic reporting, but, in fact, is much broader in scope, including foreign data in all fields. On the basis of the Bureau of the Budget's Survey, it is felt that the Executive Order should be limited to the field of economic reporting or should be held in abeyance pending a further Bureau of the Budget study on all 'foreign reporting.'

"Paragraph 2b of the proposed Executive Order should be revised to read as follows:

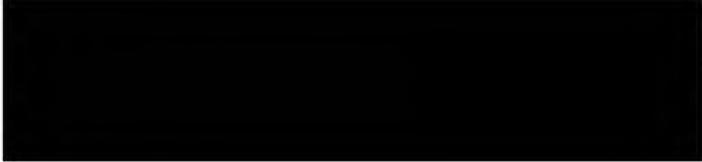
"standards which shall govern the determination by the Department of State to transmit or not to transmit to the Foreign Service, for action, any request received from any Federal department or agency for any foreign data, and which shall also govern the assignment of priorities by the Department of State to the several requests transmitted by it to the Foreign Service for action; Provided, that all requests specified by the Director of the Central Intelligence Agency to be for information relating to the national security shall be transmitted to the Foreign Service for action

unless readily available elsewhere, and such transmission shall be in accordance with priorities established by the Director of Central Intelligence.'

"Paragraph 3 should be revised to read as follows:

"'3. The Department of State may assign priorities to the requests received from Federal departments and agencies for foreign data, other than requests from the Director of Central Intelligence of the type contemplated in paragraph 2(b), who shall indicate the priority of the request in forwarding such request to the Department of State, . . .'"

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LAWRENCE R. HOUSTON
General Counsel